

Accountancy Review

**Tennessee State Board of Accountancy
Department of Commerce and Insurance**

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Amendment to T.C.A.

Effective March 21, 2000, an amendment was made to T.C.A., Title 62-1-106. This change will allow CPA Exam candidates to sit for the exam before they have completed the 150-semester hour requirement. However, they must complete the 150-semester hour requirement within 120 days after the date that they sit for the exam.

The 150 semester hours must be met within 120 days of the exam or the exam grades will be void. Proof of the planned completion of the 150 semester hours must be furnished with the application to sit for the exam. This should be in the form of a letter (original, not a copy) from the accounting department head or the registrar of the college or university where the candidate is enrolled. The department head or registrar must indicate in the letter that the exam candidate is enrolled in classes that will yield the needed credits to meet the 150-semester hour requirement within 120 days of the date the candidate plans to sit for the CPA Exam. This document must be sent directly to CPA Exam Services by the school.

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Peer Review -- Tidbits

Understanding the Peer Review requirement continues to be a problem for licensees. Misunderstanding the Peer Review requirement can cause firms to fall out of compliance with the Law and Rules of the Tennessee State Board of Accountancy. The Board's goal is to assist you in keeping your license in good standing by helping you to know and understand the Peer Review requirements. Following is a list of the most common misunderstandings.

1. I only do compilations, so I am not required to have a Peer Review.

Not True! Compilations are considered attest services and doing just one will require you to have a peer review once each three year period.

2. I started offering attest services to my clients in 1998, so my Peer Review will not be due until 2001.

Not True! Your State Board Peer Review is due by August 31st of your third year of practice. If you started offering attest services in 1998, your Peer Review is due by August 31, 2000.

3. I am enrolled in the AICPA/TSCPA Peer Review Program so I don't have to worry about the State Board requirement.

Not True! Your license is regulated by the State Board and therefore you must comply with our law and rules to keep your license in good standing. Joining the AICPA/TSCPA is voluntary. You must follow their rules to keep your membership, but always keep in mind that the AICPA/TSCPA does not regulate your license, the State Board does. The Tennessee State Board will accept your AICPA/TSCPA Peer Review if you notify us **in writing** that you are enrolled in that program **and** furnish the Board a copy of the AICPA/TSCPA acceptance letter once their committee has issued it to you. We will automatically accept the due date the AICPA/TSCPA provides for you, if it falls within the calendar year that your State Board review is due. The

TSCPA can schedule your AICPA/TSCPA review a little early to keep you in compliance with the State Board.

4. I notified the State Board of my enrollment in the AICPA/TSCPA Peer Review Program when my first review was due. Now that my second review is due, the State Board will automatically know that I am going through the AICPA/TSCPA Peer Review Program again.

Not True! The State Board will not assume that you are still a member of the AICPA/TSCPA. You will need to notify the State Board each time your review comes due as to whether or not you are still enrolled in the AICPA/TSCPA Peer Review Program. Written notification is required and a copy of the acceptance letter is necessary to meet your requirement with the State Board.

5. I am merging my CPA firm with another CPA firm. Since this will be a new firm, our Peer Review will not be due until the third year the new firm has been in practice.

Not True! When two CPA firms merge to form a new firm, the new firm takes the most current Peer Review date from the merging firms. This also applies to firms that split to form two or more individual firms. Once again, if your AICPA/TSCPA Peer Review date falls into the next calendar year, contact the TSCPA to have your review performed early so that you will remain in compliance with the State Board Law and Rules.

6. I am having my Peer Review performed through the Tennessee State Board Program, therefore I must choose a reviewer that has been pre-approved by the State Board.

True! The Tennessee State Board of Accountancy has a list of Approved Reviewers that is mailed to you along with the notice when your review is due. This list is also available on our web site. You must use a reviewer from this list or your review will not be accepted. Anyone who wishes to be added to the Approved Reviewer list can request a resume' form and submit that for approval from our Board. You

must have completed the AICPA Peer Review course to be approved by our Board.

Questions regarding your Peer Review: Contact Leona Holston at the State Board, (615) 741-2550 or toll free at 1-888-453-6150; or Beth Gaines at the Tennessee Society, (615) 377-3825 or toll free at 1-800-762-0272!!

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Reporting Firm Changes to the Board

Tennessee Law requires written notification of any licensing information changes that occur to be sent to the State Board office within thirty (30) days after its occurrence. The following is a list of changes that must be reported:

- Formation of a New Firm
- Addition of a Partner, Member or Shareholder
- Retirement, Withdrawal or Death of a Partner, Member or Shareholder
- Any Change in the Name of the Firm ---- (***Pre-Approval is required for Name Changes***)
- Dissolution of the Firm
- Change in the Resident Manager
- Establishment of a New Office Location or the Closing or Change of Address of the Firm
- Any Change in the Entity, *i.e.: Sole-Proprietor, Partnership, LLP, LLC, Inc., etc.*

It is the responsibility of the firm to check with the County in which they are located to see if there is a business license requirement. Also, LLP's, LLC's, Corporations and Sub-Chapter S Corporations must be registered with the [Tennessee Secretary of States Office](#) .

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